

April 3, 2001

**WORKING CAPITAL FUND BOARD**  
**MINUTES OF MEETING**  
**March 29, 2001**  
(1:30-3:30 PM)

Attendees: See attached list.

**(1) Introduction**

Acting Chair, Howard G. Borgstrom called the meeting to order. Michael Telson introduced Bruce Carnes and Christy Edwards to the members. Howard alerted the Board of plans to detail Madonna Radcliffe from Bonneville Power to support the Fund Manager as part of her developmental program as a CFO Fellow to the Federal CFO Council.

**(2) Minutes of November 30, 2000 Board Meeting**

The Board approved the minutes of the November 30, 2000 Board meeting without change.

**(3) First Quarter Financial Report**

The Board Secretary provided an overview of the subject report and the Board reviewed and accepted it without exception.

**(4) FY 2002 Congressional Budget**

The Board was presented copies of the Congressional Budget submittal. Howard drew attention to the tables in the back of the budget which detail each customer estimates by business line. He committed to the Board to share Congressional Q&As with members.

**(5) Supply Business Line Transition: Status Update**

Howard Borgstrom introduced Douglas Bielan to update the transition of the Supply business line to Paperclips, Etc. Doug related the seamless transition to Paperclips, Etc. and credited many persons in the Department and Paperclips, Etc. for the successful turnover. Mr. Daniel Boucher, President of Winston-Salem Industries for the Blind addressed the Board. He introduced Rene' Alonso, Regional Manager and Sid Trainor, National Industries for the Blind.

**(6) DOENet Pricing Policy**

Anthony Castellano Deputy Assistant CIO for Operations discussed SO-34 efforts to develop a usage measure for DOENet, as requested by the Board, and efforts of the WCF IT Working Group to propose a billing method. As reported to the Board, the methods are available now and a

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majority of customers have approved an option of billing based on customer usage with an allocation of DOE CHRIS utilization charged back to customers based on the standard on-board staffing levels used in the Payroll business. The Board has approved the proposal to revise the pricing policy in the DOENet business to conform to usage basis as described above beginning with the April bill.

In order to effect this decision, next month, the DOENet business will provide the Fund Manager with detailed records for April charges related to usage by each customer and a second record related to the allocation of CHRIS utilization to customers based on standard on-board staffing levels. April usage charges will be a normalized monthly average of the previous five months usage (six months beginning in May) for customers with field charges related to the respective Lead Program Secretarial Officers. Total April charges will be 1/12 of projected fixed charges. The Fund Manager will use this data to bill customer accounts designating DOENet usage and charges for CHRIS utilization.

This change in pricing policy will result in changes to the annual projections of customer charges. Revised annual projections will be attached to the April bill in Table III. Any customer advances in excess of revised projections will be freed up for customer requirements in other business lines. Where advances are less than projections, customers will be provided the opportunity to increase their contributions. FY 2002 budget estimates will also change correspondingly. This policy will remain in effect until the Board changes it.

#### **(7) Update on Five-year Plans**

Howard Borgstrom updated the Board on commitments to produce five-year business plans to inform the FY 2003 budget process in case of the need for revised pricing policies. The plans were initiated for three reasons: to respond to the Board's repeated requests for advance information on out-year investments and pricing, to help customers plan their budgets; to help business line managers understand all aspects of their activities; and, to move business lines toward better collection and use of performance data. Most business plans will be available in April-May; however, the financial analysis of pricing policies will be completed in time to be approved at the April 29 Board Meeting.

- a) **Discussion of Business Plans for Copier, Mail, Printing and Graphics, and Building Occupancy Business Lines:** Linda Sye addressed the Board concerning the businesses in Administrative Services. She asserted that the businesses currently have business plans which are in the process of being linked to Balanced Scorecard objectives. She indicated that the businesses envision no pricing policy changes for FY 2002/2003 and only slight cost increases in Building Occupancy.
- b) **Status Update on Payroll System:** Michele Cooley, Director of Employee Financial Services Division (CR-56), addressed the Board concerning the payroll outsourcing study being conducted by Booz Allen & Hamilton, Inc. She presented to the Board members a

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synopsis of the study and provided a preliminary indication that outsourcing to General Services Administration appears to be the more viable solution. The WCF payroll working group will discuss the final draft on April 3, 2001 and will prepare and present a recommendation on the most favorable outsourcing alternative to the Board at the April 19, 2001 meeting. Members of the working group include Carolyn Collins, Steve Durbin, Bob Emond, George Hofman, Roger Lewis, Jean Morgan, Chuck Roy, and Stephen Warren. The pricing policy and budget impacts of the options will also be presented on April 19.

- c) **Proposed Pricing Policy for the Online Learning Center:** Jerome Butler, Director of Training and Human Resource Development addressed the Board concerning Online Learning. David Roth elaborated on the cost structure of the proposed business and various pricing methodologies to recover the cost of doing business. A working group will be convened to analyze optional pricing policies and report to the Board at the April 19 meeting.
- d) **Information Management Business Lines Planning:** Linda Cureton, Assistant CIO for Operations, addressed the Board concerning planning in her office, which includes three current WCF businesses and fifteen business segments proposed for the WCF. The plan should be completed in draft by April 16 with the Implementation Plan completed by May 7. It will include actionable strategies and credible objectives to improve management of these businesses. It will help communicate the goals and strategies of the businesses based on best industry practices.

Many of the resulting pricing policies will not be mature for the April 19 meeting. However, we will continue to work pricing policies and budget estimates through May and June for the OMB budget review process. It should be noted that the majority of the affected funding is already in program budgets and executed by means of fund citations and other transfer of funds to CIO Operations. For that reason, we do not anticipate any budgetary surprises for the programs.

- e) **Contract Closeout Business Plan:** Howard Borgstrom alerted the Board to the copy of the draft Contract Closeout Business Plan included in the handout. The draft plan will be placed on the WCF Web page soon.
- (8) **Governance Issues:** Board terms are set to expire in June. The Fund Manager will explore extending current terms for a reasonable period until the Deputy Secretary can appoint new members. Current members should discuss with their management the desirability of another term on the Board.
- (9) **The Board voted to adjourn.**

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## **Meeting Attendees**

### **BOARD:**

MA Howard Borgstrom  
GC Ralph Goldberg  
CR Michael Telson/Tom Palmieri  
DP Raymond Greenberg  
NN Tom Ryder  
EM Stephen Warren  
EIA Steve Durbin  
EE Steve Lee

### **ATTENDEES:**

Bruce Carnes – S1  
Christy Edwards – S1  
Linda Cureton – SO  
Anthony Castellano-SO  
Rod Witschey- SO  
Mike Orosz - SO  
Penny Gardner – SO  
John Bullock - SO  
Amy Ingber - SO  
Carlos Segarro - SO  
George Tengan- CR  
Michele Cooley - CR  
Shirley Barker - CR  
Michelle Livingston - PML  
Laura Brown - PA  
Camille Jagessar - PO/IA  
Gail Stern – FE  
Lang Soo-Hoo – NE  
Bill Marlowe – BPA  
Daniel Boucher – NIB  
Renee' Alonso – NIB  
Sid Trainer - NIB

EH Leslie Gasperow  
NE Wade Carroll  
FE Chuck Roy  
WT Gary King  
SC John Clark  
CIO Linda Cureton  
Secretary- Howard Borgstrom

### **MA:**

Linda Sye  
Doug Bielan  
Brian Costlow  
Jerome Butler  
Dave Roth  
Tanya Luckett  
Joanne Witman  
Ginny Bitler  
Bob Emond  
Roscoe Harris  
Ingrid Robinson  
John Harrison  
Cheryllyne Williams  
Jeff Rubenstein  
Karen Adams  
Tony Nellums  
Marcia Morris  
Louis D'Angelo  
Brian Costlow  
Doug Bielan  
Margaret O'Brien  
Mary Anderson